



North Carolina Department of Health and Human Services

Division of Budget and Analysis

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Beverly Eaves Perdue, Governor
Lanier Cansler, Secretary

James B. Slate, Jr., Director

August 5, 2009

MEMORANDUM # 2009-11

TO: Division Budget Officers
FROM: Jim Slate 
SUBJECT: Certification of 2009-11 Budget

The purpose of this memorandum is to initiate the budget certification process for SFY 2009-11. It is very important that we begin working on certification now in order to avoid lengthy delays in getting a certified budget. To that end, I am asking staff in this office and in the divisions to begin compiling budget information necessary to affect the changes in the budgets for 2009-11 as adopted by the current legislative session. In anticipation of final approval of the budget (SB202 and corresponding Conference Report), Division budget officers should begin immediately to do the following:

- Division budget staff should develop line item detail to support budget adjustments items including budgetary reductions, expansions or other appropriations.
- In order to quickly expedite this process, Divisions should begin working on reduction items which have already been fully defined by account to match reductions in the Conference Report. These may include reductions that were developed as part of preparation for the Governor's budget or as part of any other reduction exercise conducted during the legislative session. For these items, detail worksheets should be submitted electronically to your analyst in this office by **August 12, 2009**. Earlier submissions are appreciated.

Once these adjustments are complete Divisions may begin to work on budgetary adjustments that are new reduction items or items which have been modified from previous reduction options as put forth by Divisions. For these items, detail

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worksheets should be submitted electronically to your analyst in this office by **August 21, 2009**. Earlier submissions are appreciated.

- Budget certification worksheets for changes between what is currently in your SFY 09-10 Certified Budget (BD-307) compared to the block grant plans as approved by the General Assembly in SB 202 will also need to be submitted on these worksheets. Staff in this office will notify you of changes needed in the block grant plans. For these items, detail worksheets should be submitted electronically to your analyst in this office by **August 25, 2009**. Earlier submissions are appreciated.
- Budget and Analysis (B&A) staff will review the worksheets to verify that detail entries reflect legislative intent, agreed upon amounts and position count changes. B&A will also review and obtain OSBM concurrence with the amounts and accounts on the detail worksheets. For agencies certifying at a detail level below the fund account, these schedules may be submitted at the fund account level.
- Division budget staff, upon notification from Budget & Analysis, will enter budget adjustments and position count changes into BPS by reference number.
- As each item # is entered into BPS, edit sheets can be printed and compared to the worksheets by the division, B&A and OSBM. When all parties agree that the detail is accurately entered, a first print of the BD-307 can occur for a second review by all parties. When you and your DHHS analyst concur that the budget as presented on the BD-307 is correct, we will let OSBM know that the budget can be certified.

Specific directions for completing the attached budget certification worksheet are as follows:

1. Division – Self-explanatory.
2. Budget Code – Self-explanatory.
3. Reduction / Expansion Title - For the “Reduction / Expansion Title”, use the description of the item contained in the Joint Conference Report (e.g., “Child Care Subsidies”). For block grant changes, use the title of the block grant (e.g., “TANF Adjustments”). This title will be entered on the description line in BPS when entering the changes to effect certification.
4. The “Reference Number” refers to the number used when entering data into BPS. This number is a six-digit number using the budget revision format (e.g., “xx-xxxx”). This number will be entered into BPS as the reference number for each item. ***Please pay close attention to these instructions as the schematic has changed based upon OSBM developing a statewide approach for recording certification reference numbers.***
 - The first two digits of the reference number will denote if the adjustment is an expansion item, a reduction item or a block grant adjustment as follows:
 - CC should be entered for reductions to the Continuation Budget
 - CE should be entered for expansions to the Continuation Budget
 - CB should be entered for adjustments to Block Grants

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- The third digit will denote the year of the legislative session in which the budget adjustment was made. All of this year's entries will be "9".
- The last three digits for reduction and expansion items will duplicate the actual item number in the conference report. (e.g., Conference Item #1 will be identified as CC-9001). For block grant adjustments, the last three digits will represent the numerical order in which the block grant is presented in SB 202 (e.g., TANF adjustments will be identified as (CB-9001).
- Other adjustments will only be allowed when this office and OSBM concur that it is an appropriate adjustment to include in the certification process.

If you have questions or comments, please call your analyst in Budget & Analysis. If you are uncertain as to what items are presently in agreement between the House and Senate, your analyst can provide you with a list.

JBS:RK:gg

Attachments

Cc: Allen Feezor
Maria Spaulding
Dan Stewart
Jennifer Hoffman
Division Directors
Budget Analysts